



**COFFS HARBOUR CITY COUNCIL**  
**SUPPLEMENTARY REPORT**  
**(CORPORATE SERVICES COMMITTEE)**  
**COUNCIL CHAMBERS**  
**COUNCIL ADMINISTRATION BUILDING**  
**COFF AND CASTLE STREETS, COFFS HARBOUR**  
**16 MARCH 2006**

**Contents**

<b>ITEM</b>	<b>DESCRIPTION</b>	<b>PAGE</b>
<b>GENERAL MANAGER'S REPORT</b>		
3	DRAFT 2006/2009 MANAGEMENT PLAN AND 2006/2007 FEES & CHARGES	1



# **COFFS HARBOUR CITY COUNCIL**

## **SUPPLEMENTARY REPORT**

### **(CORPORATE SERVICES COMMITTEE)**

**16 MARCH 2006**

Mayor and Councillors

#### **GENERAL MANAGER'S REPORT**

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#### **3 DRAFT 2006/2009 MANAGEMENT PLAN AND 2006/2007 FEES & CHARGES**

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##### **Purpose:**

To present Council with the Draft 2006/2009 Management Plan and Draft 2006/2007 Fees and Charges for consideration and adoption. This report recommends that the attached first draft plan and first draft fees and charges be adopted as the Draft 2006/2009 Management Plan and Draft 2006/2007 Fees and Charges, to be exhibited for public comment for a period of 32 days, from Saturday, 18 March 2006 to Tuesday, 18 April 2006.

##### **Description of Item:**

Council's Draft 2006/2009 Management Plan contains key objectives, strategies and performance indicators, along with Environmental Levy projects, drainage, road works, cycleway and footpath schedules, in addition to the city's social plan and related policies for services for the years 2006/2009.

Budgets are presented for each of Council's six Strategic Directions.

The 2006/2007 Draft Fees and Charges document is also included, to be placed on exhibition for public comment with the Draft Management Plan.

The Draft 2006/2009 Management Plan proposes that Council proceed with a package of major capital works initiated in the 2005/2008 Management Plan. Developed in response to community demands, the schedule addresses twenty major projects with total capital expenditure of \$41.1m. Council has already identified and committed funding of \$19.6m to enable a substantial number of these projects to proceed.

### 3 Draft 2006/2009 Management Plan And 2006/2007 Fees & Charges ...(Cont'd)

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In adopting the revised budget last year, Council gave notice of its intention to seek a 9.5% rate variation (including the anticipated 3.5% increase allowed under 'rate pegging' legislation) in 2006/2007 to fund the balance of the works. These projects are collectively known as the "*Community Facilities Program*" and represent a total capital expenditure of \$21.5m. With the forced addition of two urgent road bridge projects, the *Community Facilities Program* can be accomplished with a 9.56% rate variation.

The revenue from this rate variation would meet the loan repayments and increased operating and maintenance costs associated with the new works. If the rate variation is approved, the impact on all rates and annual charges will represent an actual increase of 5.15% for the average residential ratepayer.

The proposed *Community Facilities Program* and the rate variation are addressed in greater detail later in this report.

This report also details changes in Council's rating structure based on new land valuations determined by the State Government.

#### **Distributed with this agenda are the following documents:**

- Proposed Draft 2006/2009 Management Plan.
- Proposed Draft Program Budgets for 2006/2007.
- Proposed Draft 2006/2007 Fees and Charges.

#### **Sustainability Assessment:**

- **Environment**

Apart from printing and energy costs associated with compiling the report, there are no environmental impacts flowing from the preparation of the Management Plan and Fees and Charges documents. The Management Plan encompasses strategic directions and programs - including schedules for the delivery of projects funded through the Environmental Levy - which address environmental issues relating to Council and the city.

- **Social**

At strategic and program levels, the Management Plan aims to enhance Coffs Harbour as a diverse, connected and sustainable community.

The Draft Management Plan includes a revised rating structure for the city, based on new land values determined by the NSW Valuer General at 1 July 2005. A revaluation can reflect changes which are taking place in a community, highlighting areas which are in strong demand and others which are less so.

These demands are often generated by a different socio-economic group to that which has previously owned properties in the area; while not always immediately evident, this becomes one of the signs of social change.

### 3 Draft 2006/2009 Management Plan And 2006/2007 Fees & Charges ...(Cont'd)

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- **Economic**

Individual ratepayers will experience a change in their general rate that reflects the movement in value of their properties in relation to the average change in valuations across the Local Government Area. Some property owners will pay less in rates - others will pay more. It is important to note, however, that the revaluations have no effect on the total amount of income generated for Council from general rates.

Council's program budgets for the next three years are also detailed in the Draft Management Plan. The proposed funding strategy for some programs - notably the rate variation to support the ongoing *Community Facilities Program* - will have an additional impact on ratepayers. While all attempts are being made to minimize this impact, it should be recognized that the proposed programs have been developed in response to community demands and are designed to contribute to the sustainable economic development of the city.

**Consultation:**

- **Consultation with Councillors and Staff**

Workshops were held with Councillors on 8 December 2005, 8 and 22 February 2006, 8, 13, 14 and 15 March 2006 to review Council's Vision and Strategic Directions, and to identify budget priorities. Senior staff and managers have also participated in a re-appraisal of strategic directions and programs, a comprehensive process run in parallel with Council's ongoing organisational review.

- **Preliminary Community Consultation**

Committees responsible for the management of Council facilities have been invited to submit requests for capital assistance in 2006/2007. (Total funding of \$20,000 has been allocated in the Draft 2006/2007 Budget for this purpose.) Responding groups are to be invited to send representatives to a briefing session with Councillors and senior staff at Council during the community consultation stage of the management planning process.

A number of other written requests, made by individuals and community organizations seeking Council assistance, have been considered during the preparation of the Draft Management Plan.

As part of the development of the Draft 2005/2008 Management Plan, an extensive community consultation process was implemented to assist in the consideration of a capital works schedule called the City Facilities Program.

Following the government's refusal of a supporting rate variation, and in response to community feedback, Council ultimately revised that program for adoption in the final 2005/2008 Management Plan.

The schedule of works - incorporating the *Community Facilities Program* - submitted in the Draft 2006/2009 Management Plan is consistent with the revised program and reflects the sentiment of many of the community submissions made to the 2005/2008 Management Plan.

### 3 Draft 2006/2009 Management Plan And 2006/2007 Fees & Charges ...(Cont'd)

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Preliminary briefings on Draft Management Plan programs and the proposed rate variation were held at meetings with representatives of ratepayer groups in the Sawtell / Toormina area (27 February 2006), rural landowner groups (7 March 2006) and City Centre property owners (13 March 2006). Generally, the response of those attending the meetings has been supportive of the objectives Council is pursuing through the *Community Facilities Program*.

- **Consultation over Land Revaluations**

The Valuer General provides a process for landowners to appeal against their valuation. Information on this was issued with the notices of valuation sent to owners.

Council staff have attended meetings of community groups when required to explain the implications of the revaluation. They have also attended to the many counter, telephone and letter enquiries that are normally generated at this time.

**Related Policy and / or Precedents:**

This is Council's thirteenth Draft Management Plan prepared under the 1993 Local Government Act.

**Statutory Requirements:**

Section 402-407 of the 1993 Local Government Act outlines the requirements for Council's Draft Management Plan.

Council is required, among other things, to adopt a Management Plan by 30 June each year. The draft plan must be placed on public exhibition for a period of 28 days. Council must consider submissions received on the draft plan before adopting the final plan.

**Issues:**

- **Budgetary Considerations**

In the course of the current financial year, a number of specific projects and issues have been identified for consideration during the preparation of the 2006/2009 Management Plan:

1. Consideration be given to adjusting "Donations" and "Rates Subsidy" votes for 2006-2007 to reflect CPI increases.  
Note: CPI increases incorporated.
2. A loan of up to \$29,000 be made to Englands Park Tennis Club in 2006-2007; the final amount will be determined when a decision is made on the club's grant application. (Interest Rate 6.5%, repayable over 18 months.)  
Note: Accommodated in 2005/2006 –not required in 2006/2007.
3. Include Rezoning Marcia Street to Bray Street Precinct in Strategic Planning Program.  
Note: Included in 2006/2007 - Strategic Planning (210) "Rose Avenue Area". \$20,000.

### 3 Draft 2006/2009 Management Plan And 2006/2007 Fees & Charges ...(Cont'd)

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4. Include Halls Road area with any review of the North Boambee Valley planning controls.  
Note: The review of part of the area is being funded by landowners; however there is a large area that will be subject to review that CHCC will need to fund in future years.
5. Council consider increasing its donation for Seniors Week from \$1,500 to \$2,500 in 2006/07 to allow for the cost of public liability insurance.  
Note: This will be considered by Council when it adopts its donations program for 2006/2007.
6. Council has been successful in its bid to host the 2006 NSW Local Government Community Services Association Conference. Income and expenditure budgets need to be included in 2006-2007 budget.  
Note: Included in 2006/2007 – Community Development (516) – “LGCSA Conference”. Revenue: \$98,500. Expenditure: \$93,000.
7. Networking and Breakfast Workshop organised by Economic Development Unit as part of Business Development Program - consider putting \$10,000 into 2006-2007 budget.  
Note: Included in 2006/2007 – Economic Development Unit (120) – “Business Development Workshops”. Revenue: \$7,000. Expenditure \$10,000.
8. Historical Jetty Maintenance - increase annual allocations so that all costs can be met.  
Note: Included in 2006/2007 – Harbour and Jetty (547) – “Historical Jetty M&R”. \$75,000 (up from \$50,000).
9. Council has resolved to commit \$200,000 towards the Sportz Central upgrade (conditional on the approval of a matching grant from NSW Government.)  
Note: Not included – await approval of grant.
10. A report was requested on the effects of rising fuel prices on Council’s budget.  
Note: The issue has been considered and addressed by the Plant Committee. The Plant budget and hire rates reflect increases in fuel costs of approximately \$146,000 in 2006/2007 and have been factored in all operational budgets.

The following budgetary issues have also been identified for attention in 2006-2007:

1. Up to approximately \$10,000 contribution towards LGA costs for independent inquiry into Local Government financial sustainability.  
Note: Not required.
2. Council has been successful in its bid to host the 2007 NSW Local Government Association Conference. Income and expenditure budgets need to be included in 2006-2007 and 2007-2008 budgets.  
Note: Included in 2006/2007 – Civic management (010) – “2007 LGA Conference”. Revenue: \$399,100. Expenditure: \$399,100.
3. Council has been successful in its bid to host the 2006 NSW Coastal Conference. Income and expenditure budgets need to be included in 2006-2007 budget.  
Note: Included in 2006/2007 – Administration (410) – “NSW Coastal Conference”. Revenue: \$50,000. Expenditure: \$35,000.

### 3 Draft 2006/2009 Management Plan And 2006/2007 Fees & Charges ...(Cont'd)

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4. The following items of capital expenditure have been incorporated in Council's allocation for the Rural Fire Service in 2006/07:

Rural Fire Service Item	Value
Cat1 Tanker - Nana Glen	\$232,000
Cat7 Tanker Single Cab - Corindi	\$120,400
Cat7 Tanker Single Cab - Woolgoolga	\$120,400
Cat9 Tanker Single Cab - Ulong	\$ 90,300
Group Captain's Vehicle x 2 (\$25,000 each)	\$ 50,000
Control Centre - Coffs Harbour Airport (Continued Allocation)	\$200,000

- **Water and Sewerage Programs**

The ongoing Coffs Harbour Sewerage Strategy and Regional Water Supply venture will continue to dominate the capital expenditure programs for Coffs Harbour Water in 2006/2007. Key projects include:

Water and Sewerage Programs	Cost
Coffs Harbour Treatment Works Upgrade	\$45.000m
Reclaimed Water Pipeline	\$ 3.050m
Effluent Reuse Works	\$ 3.154m
Sewer Rehabilitation	\$ 1.000m
Woolgoolga Treatment Works Upgrade	\$ 2.450m
Shannon Ck Dam and Access Road construction	\$ 3.788m
Karangie Water Treatment Plant	\$15.000m
Reticulation Mains	\$ 1.850m

The Draft 2006/2007 Budget for Coffs Harbour Water indicates the following results:

- Water Account           \$49,713 Deficit
- Sewer Account         \$77,342 Surplus

### 3 Draft 2006/2009 Management Plan And 2006/2007 Fees & Charges ...(Cont'd)

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- **Capital Works**

In the Draft 2006/2009 Management Plan, Council proposes to press ahead with a schedule of infrastructure works initiated in 2005/2006 - with some modifications.

This schedule encompasses twenty projects with a total capital expenditure of \$41.1m. Some of these projects are funded to commence in the current (2005/2006) year.

Within the schedule, there are eleven projects which are funded (wholly or partially) from a proposed rate rise – these works are collectively known as the *Community Facilities Program*. They represent a total capital expenditure of \$21.5m. In most cases they are scheduled to commence in 2006/2007.

It should be noted that the *Community Facilities Program* has been expanded by the forced inclusion of two urgent road bridge projects as a result of State Government cost shifting.

With these additional projects, the *Community Facilities Program* can be completed with the funding support of a 9.56% rate increase. It is proposed Council seek NSW Government approval for this variation.

Attachment A to this report shows the proposed funding arrangements for the *Community Facilities Program*. Attachment B show the proposed funding arrangements for the balance of works.

The majority of community submissions to last year's Draft Management Plan demonstrated opposition to a proposed 21.32% rate rise, sought to fund a range of capital projects.

However, many of the submissions expressed in-principle support for the proposed infrastructure projects and suggested property owners would be willing to consider a less onerous rate rise to allow priority works to proceed.

In 2006/2007, the *Community Facilities Program* offers a measured response to an ongoing demand. It is an affordable strategy to deliver infrastructure to serve the lifestyle needs of the diverse communities within the Local Government Area and at the same time enhance Coffs Harbour as the regional centre.

The Hogbin Drive extension has been identified by the community as the city's highest priority project. The completion of this arterial thoroughfare will create an eastern corridor allowing local traffic to move easily to the north and south of the city without having to negotiate the Pacific Highway. The Federal and State Governments have pledged grants totalling \$10m towards the project. Council has already committed \$1.5m in 2005/2006. The proposed rate variation will fund a loan of \$3.5m as the balance of Council's contribution.

The redevelopment of Brelsford Park as a City Park is the first stage in the creation of a new cultural and recreational precinct, to play a significant role in the ongoing revitalization of Coffs Harbour's city centre. The project budget is \$2.7m; the rate variation will generate \$1.605m, with the balance met by the sale of council-owned land.

### 3 Draft 2006/2009 Management Plan And 2006/2007 Fees & Charges ...(Cont'd)

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Beautification works, footpath construction and traffic-calming measures are included in a \$235,000 program of improvements proposed for the village of Nana Glen. The *Community Facilities Program* also proposes to fund a \$139,000 contribution towards the construction of the Nana Glen Swimming Pool as well as its ongoing operating costs.

The program will allow much-needed restoration work to be undertaken on the historic Coffs Harbour Jetty structure. The budget for this project is \$680,000 (including \$100,000 from the Jetty Reserve). An additional \$100,000 is budgeted for improvement works on the adjacent Jetty strip.

Further improvement works totalling \$400,000 are proposed as part of the ongoing Woolgoolga Town revitalization project. Similar works, worth \$300,000, are budgeted for the village of Sawtell. The program will also fund \$380,000 for amenities, access and landscaping improvements at Sawtell Headland.

As indicated above, the schedule of the *Community Facilities Program* has had to be expanded with the recent addition of two bridge replacement projects. Council has been unsuccessful in its attempts to secure State funding for the reconstruction of the Coral Street Bridge at Corindi. Coincidentally, the State Government has withdrawn a portion of its funding commitment for the reconstruction of Middle Creek Bridge at the southern entrance to Sawtell village. If Council is unable to fund these projects, there will be significant impacts on local communities.

The *Community Facilities Program* proposes \$21.5m in capital expenditure. A 9.56% rate variation will facilitate loans totalling \$8.3m. The balance of the funding is sourced from grants (\$10.475m), revenue funded loan (\$1.5m), land sales (\$1.095m), contributions (\$35,000) and reserves (\$100,000).

It is worth noting that, if approved, this variation will be the first rate increase to be applied city-wide in Coffs Harbour since the introduction of the Environmental Levy in 1997/1998.

The other capital works within the schedule will also make a significant contribution to the social, environmental and economic development of Coffs Harbour. These projects include the Multi Purpose Centre, Foreshore Improvements, a major upgrade of the Castle Street Car Park, a roundabout on Hogbin Drive to serve the Airport, new work at the Coffs Coast Sports and Leisure Park, the Regional Tennis Complex and the Northern Beaches Cycleway. With a total budget of \$19.6m, these works are funded through existing and new loans, rent from Council-owned property, the sale of Council land-holdings, General Fund revenue and contributions.

- **Proposed Rate Variation**

As outlined above, it is proposed to seek the Minister for Local Government's approval to a 9.56% variation in general purpose rates. (This figure includes an anticipated 3.5% increase allowed under 'rate-pegging' legislation.)

The impact on the average residential ratepayer for 2006/2007 is set out in the "Residential Rate" section of this report (see below). It shows a total increase of \$100.07pa (\$1.92pw), which is a 5.15% increase in total rates and annual charges.

### 3 Draft 2006/2009 Management Plan And 2006/2007 Fees & Charges ...(Cont'd)

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The additional funding will go towards meeting the loan repayments and additional operating and maintenance expenditures related to the *Community Facilities Program*.

Loans are based on an estimated interest rate of 6.5%pa and repaid over a 10-year term.

Over the five-year period from 2006/2007 to 2010/2011, the additional operating and maintenance expenditures total \$1.865m; the annual figure will grow to an inflated value of \$480,000 in 2010/11, following completion of the construction program. The Minister may approve the capital component of the rate variation application for a fixed period or periods and the operating and maintenance component as a permanent increase.

- **Land Revaluations and Proposed Rate Structure**

The Valuer General has revalued all land within the City of Coffs Harbour, the valuation having a base date of 1 July 2005. The VG has forwarded notices of the new values to all landholders and given them information on the valuation process and method of appeal. The Valuation of Land Act requires Council to use the latest valuation.

Generally, it can be considered that the timing of the valuation is better than that of 2002 (when the market in some areas had soared before the valuation was made whilst this did not occur in other areas until shortly after). The market in July 2005 seems to have been more even across the City. This does not mean that land of similar category hasn't increased in value at different rates in different localities. Rather, those values reflect a steady market in which the differential in those values is sustained on an ongoing basis. The inappropriate valuation spikes in certain land types in some localities found in the prior valuation, therefore, are not evident this time.

Overall the valuation has risen from \$2.208B to \$5.727B, an increase of 159%. The land on which the four Ordinary rate categories are levied has had increases as follows:

- Residential 169%
- Farmland 123%
- Business 127%
- City Centre Business 100%

- **Residential Values**

With an average rise of 169% overall, it is the Toormina and Boambee East areas and the beachside villages north from Moonee Beach which exceed this significantly (Emerald Beach being the exception - it is almost at the average). These localities have gone up between 200% and 270%, although within them there will be sections which will have increases which are quite different.

- **Farmland**

The average rise for Farmland categorized land is 123%. Most of the western farmland is less than this and the average is kept up by lands along the coastal strip and on the eastern fall of the hills. With a few exceptions the rise in those areas does not exceed 200%.

### 3 Draft 2006/2009 Management Plan And 2006/2007 Fees & Charges ...(Cont'd)

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#### - **City Centre Business**

Increases in this area in the centre of Coffs Harbour have ranged from 20% to 208%. The average is 100% and the median 113%. Three-fifths of all properties have increases in the 100-120% range.

#### - **Business**

The average rise for Business categorized land (excluding the City Centre) is 127%. Both Sawtell and Woolgoolga shopping precincts rose by 175-200% as did the Mansbridge Drive area. The industrial estate around Bosworth Road at Woolgoolga has risen between 200% and 250% whilst the Hulberts Road/Newcastle Drive area and the Hi-Tech Estate have risen 160-175%. The Lawson Crescent area and Hurley Drive area have risen around 150%. However, the Cook Drive area and the Marcia Street area have only risen about 60%.

#### - **A New Rating Model**

Extensive work was done on rate modeling following the 2002 valuations being issued. This included setting up a community committee to consider this and several reports were made to Council. Council determined it would change its rating method for both Residential and Farmland to a base rate structure. Both Business rates were left as minimum and ad valorem structures.

Having so recently established these, it was not seen as prudent to revert to another system. This would only serve to move the rate burden from one level to another.

Council virtually eliminated any distinction between Residential and Farmland in its review. This has been carried into the new model with both having the same base amount and same rate in the dollar. The result is that overall Farmland rates drop by \$141,000, or 13%, a drop which is picked up by the Residential ratepayers.

A complicating factor with Farmland is legislation which prohibits a council from increasing the rate on any farmland property by more than 20%. Whilst the intention was probably to prevent any Council dramatically increasing overall farmland rating, it takes no account of the impact of a new valuation where values may drop significantly on one farm and rise equally significantly on another. Depending on the ultimate rate, Council may have to write off some rates on some farms but there is little that can be done to avoid this. At present the Department shows no sign of correcting this anomaly.

City Centre Business and Business properties were combined and then the requisite additional funds required from the City Centre added to give their rate. Because of the shift in values, rates for the City Centre Business area have declined by \$100,000 and will be picked up by other Business properties throughout the City.

### 3 Draft 2006/2009 Management Plan And 2006/2007 Fees & Charges ...(Cont'd)

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#### - Impact of Land Revaluations on Pensioners

Pensioners are a significant group in our community and the impact on them of any new valuation is always looked at. Whilst the new values will benefit some pensioners, others will have a disbenefit. Overall there is a slight increase of 2% in the amount pensioners would pay under the proposed rating model.

However, in 2006/2007 Council introduces its new water charging policy and, with a halving of the access charge, the potential strongly exists for most residential users to pay less. This will be followed in 2007/2008 with the introduction of the new sewerage pricing policy which, once again, will benefit residential property owners.

Council will write off about \$2.8m of pensioner rates and charges in 2006/2007. Of this, Council voluntarily foregoes \$0.5m; Council is required to forego the remaining \$2.3m under State Government legislation. The amount Council is reimbursed by the State is \$1.25m, leaving an overall cost to Council of \$1.55m.

#### • Residential Rate

The impact upon the average residential ratepayer's rate notice and annual water usage accounts is as follows:

	2005/2006	2006/2007	Increase	
	\$	\$	Amount - \$	%
Residential Rate	606.80	667.14	60.34	9.94
Environmental Levy	27.63	28.36	0.73	2.64
Sewerage Charge	572.00	589.00	17.00	2.97
Water Standing Charge	200.00	104.00	-96.00	-48.00
Water Usage (200kl)	272.00	364.00	92.00	33.82
Domestic Waste Service and Greenwaste	264.00	290.00	26.00	9.85
<b>Total</b>	<b>1,942.43</b>	<b>2,042.50</b>	<b>100.07</b>	<b>5.15</b>

The following comments should be considered in conjunction with the above information:

1. The average residential ratepayer's valuation in 2005/2006 was considered to be \$60,000. In 2006/2007, following the revaluation, the average is \$160,000.
2. As mentioned previously, the above impact statement incorporates a 9.56% increase in Ordinary Rate income which represents an overall increase of 5.15% in all rates and annual charges. (In this instance, water usage charges have been averaged at 200kl pa.) The overall increase of \$100.07 is equal to \$1.92pw.
3. Water charges reflect Council's new pricing policy which comes into being from 1 July 2006. It has a greater emphasis on user pays.

### 3 Draft 2006/2009 Management Plan And 2006/2007 Fees & Charges ...(Cont'd)

4. Sewer charges have been increased by 3% for 2006/2007. A new sewerage pricing policy will be implemented from 1 July 2007.
5. Water and Sewerage rates and charges and the Domestic Waste Service are not subject to rate restrictions.
6. In 2006/2007 the Domestic Waste Service charge is \$290 and provides a three bin service.

#### • Economic Implications

Council's fiscal policy and budget preparation has been tightened this year to deliver a balanced budget. This represents a shift from previous years when deficits have emerged as an annual outcome in budget deliberations. This new approach is indicative of Council's cost-reduction strategies and enhanced efficiencies and also reflects sound financial management practice, especially at a point when the industry is under increasing financial pressure.

That's not to say that delivering a balanced budget is a simple process. This outcome has been achieved in the face of a range of revenue deficiencies and operational cost increases. These include:

- A reduction (from \$450,000 to \$300,000) of the dividend from airport operations;
- A reduction (\$50,000) in Section 94 recoupment;
- A reduction (\$145,000) in Building Development fees;
- An increase (\$50,000) in legal costs;
- Additional costs related to growth; and
- Increased staff costs in line with trade and award agreements.

The Minister has not announced the rate pegging limit for 2006/2007 as yet. It was 3.5 per cent for 2005/2006. This would achieve an additional \$790,000 in increased rate income during the year. The rate variation, if approved by the Minister, will provide an additional \$1.43m for the *Community Facilities Program*.

Comparative General Account figures are:

2005/2006 (Revised Budget adopted 15/9/05) \$m	Expenditure/ Income	2006/2007 \$m	% Variation
65.0	Operating	72.7	12
20.3	Expenditure	38.4	88*
39.3	Capital	63.9	62*
29.8	Expenditure	32.0	7
	Income		
	Untied Funding		

\* Percentage variations reflect the inclusion of the *Community Facilities Program* and other items funded from loan funds and land sales.

### 3 Draft 2006/2009 Management Plan And 2006/2007 Fees & Charges ...(Cont'd)

#### - Financial Position

The financial position of Council's General, Water and Sewerage Funds as well as the consolidated position, are estimated at June 30, 2006 in the summarised balance sheet below:

<b>Forecast Statement of Financial Position as at 30 June 2006</b>				
	<b>TOTAL</b>	<b>General</b>	<b>Water</b>	<b>Sewer</b>
	<b>\$,000</b>	<b>\$,000</b>	<b>\$,000</b>	<b>\$,000</b>
Current Assets				
Cash and Investments	79,200	12,500	25,900	40,800
Receivables	8,500	5,570	1,500	1,430
Other Current Assets	1,165	1,100	-	65
<b>Total Current Assets</b>	<b>88,865</b>	<b>19,170</b>	<b>27,400</b>	<b>42,295</b>
Current Liabilities				
Payables and Provisions	2,790	1,560	410	820
Borrowings	7,104	1,883	2,651	2,570
<b>Total Current Liabilities</b>	<b>9,894</b>	<b>3,443</b>	<b>3,061</b>	<b>3,390</b>
<b>NET CURRENT ASSETS</b>	<b>78,971</b>	<b>15,727</b>	<b>24,339</b>	<b>38,905</b>
Non Current Assets				
Cash and Investments	24,900	8,900	12,000	4,000
Property, Plant and Equipment	825,000	515,000	140,000	170,000
Receivables	1,175	1,140	-	35
<b>Total Non Current Assets</b>	<b>851,075</b>	<b>525,040</b>	<b>152,000</b>	<b>174,035</b>
Non Current Liabilities				
Payables and Provisions	15,800	15,800	-	-
Borrowings	70,420	15,106	24,293	31,021
<b>Total Non Current Liabilities</b>	<b>86,220</b>	<b>30,906</b>	<b>24,293</b>	<b>31,021</b>
<b>NET NON CURRENT ASSETS</b>	<b>764,855</b>	<b>494,134</b>	<b>127,707</b>	<b>143,014</b>
<b>EQUITY</b>	<b>843,826</b>	<b>509,861</b>	<b>152,046</b>	<b>181,919</b>

### 3 Draft 2006/2009 Management Plan And 2006/2007 Fees & Charges ...(Cont'd)

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- **Draft 2006/2007 Fees and Charges**

The Draft 2006/2007 Fees and Charges document provides for most fees and charges to increase by approximately a 3% inflationary factor. Some fees which are set by State legislation have not increased. There are a number of restructured fees, new fees and increases in fees of greater than 3%. The following notes refer to significant changes within the Fees and Charges structure:

- **Building and Development**

Clarification of the Fee for the Modification of Development Consent, to include distinction between 'Variation under Clause 96(1A) - Minimal Environmental Assessment' and 'Variation under Clause 96(1A) - Further Environmental Assessment'.

Introduction of fees for 'Fire Services Certification' with a \$70 fee for Non-Compliance of Annual Registration Fire Services Fee' and a fee for 'Voluntary Fire Upgrade (requiring Council input and/or inspection) being \$500 for Commercial or Class 3/9 premises and \$300 for residential properties under Classes 1 & 2.

Introduction of a fee for Swimming Pool Compliance Certificates.

- **Environmental Management**

Introduction of fees relating to A-Frame Sign Advertising - Initial Application Fee (per A-Frame Sign) of \$60, an annual licence fee of \$45 and a Public Liability Insurance Fee of \$45 per annum.

Increase in Companion Animals Fees and Charges, as advised by the Department of Local Government, applicable from the 13th January 2006.

- **Waste Management**

Tipping fees have increased due to the proposed introduction of the new waste management policy at the Englands Road Waste Facility.

Introduction of separate charges for additional mixed domestic waste, recycling and organic waste.

- **City Parks and Reserves**

Significant increase in the fee for placing of ashes into crematoria wall from \$387 to \$472.

A 37% increase in the fee for weekday interment at the lawn cemeteries from \$1,056 to \$1,450.

Increases in cemetery fees and charges reflect actual increases in the costs of providing services. They also bring fees into line with those charged by similar Local Government Authorities.

### 3 Draft 2006/2009 Management Plan And 2006/2007 Fees & Charges ...(Cont'd)

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#### - **Water Services**

Fees and charges for Water Services have been reviewed due to the introduction of the Pricing Policy mandated by the NSW State Government.

In accordance with the new Pricing Policy, water sales are now charged based on a number of "steps". Step 1: usage at \$1.82 per kilolitre, for usage less than 1 kilolitre per day; Step 2: \$2 per kilolitre for usage in excess of 1 kilolitre per day.

In accordance with the new Pricing Policy, water access charges are raised according to meter size from July 2006, varying from \$104.00 for a 15mm meter to \$10,400 for a 200mm meter.

#### - **Jetty Theatre**

Fees for the Jetty Memorial Theatre have increased due to market forces set by similar venues and to reflect the improved standard of facility provided.

#### • **Operational Plan**

Council's Operational Plan is being updated to align with the outcomes of the Management Plan and Organisational Review process. The Operational Plan includes performance objectives, strategies and performance measurement indicators, and program budgets.

Quarterly reports will continue to be presented to Council in relation to performance and achievements associated with the key strategic objectives of the Council. A separate Quarterly performance report will continue to be presented to the Executive of the Council, detailing performance and achievements in regard to the individual programs within the organisation. Significant variations in relation to program performance are to be reported to Council as part of the Quarterly Performance Report on the Management Plan objectives.

#### **Implementation Date / Priority:**

Subject to Council approval, the Draft 2006/2009 Management Plan and Draft 2006/2007 Fees and Charges will be reproduced, distributed and placed on public exhibition for a period of 32 days.

Advertisements will be placed in local newspapers advising of the exhibition period and inviting public submissions to the Draft Management Plan and Draft Fees and Charges. A public meeting will also be staged to help raise awareness about the Draft Management Plan and to encourage community submissions.

Submissions will be presented in a document to the Council for consideration prior to the adoption of the 2006/2009 Management Plan and Fees and Charges (scheduled for the Council meeting on Thursday, 20 April 2006).

### **3 Draft 2006/2009 Management Plan And 2006/2007 Fees & Charges ...(Cont'd)**

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#### **Recommendation:**

- 1. That the proposed 2006/2009 Draft Management Plan (including the adopted 2006/2007 Environmental Levy program) and proposed 2006/2007 Draft Fees and Charges, provided as separate attachments to the report, be adopted for public exhibition from Saturday, 18 March until Tuesday, 18 April 2006 and submissions be sought from the community.**
- 2. That the rate structure for Farmland and Residential rates be comprised of a base amount and a rate in the dollar on the land value and that each of these be the same for both rate categories.**
- 3. That the Business rate and the City Centre Business rate be an ad valorem rate subject to a minimum.**
- 4. That the consultation program on the 2006/2009 Draft Management Plan and Draft Fees and Charges be as follows:**
  - Media briefing at Council at 12.30pm on Monday, 20 March 2006.**
  - Displays at the Council Administration Building foyer, at the three branch libraries, on the Council website, at the Karangi, Coramba, Nana Glen and Red Rock general stores, at the Corindi Beach Post Office, at the Ulong Rural Transaction Centre and at the Coffs Harbour Visitor Information centre.**
  - Newspaper advertising (including a lift-out guide summarising the major issues and encouraging people to make submissions) in local newspapers during the public exhibition period.**
  - A public meeting be staged at 7.00pm, Wednesday 22 March 2006 at the Coffs Harbour Catholic Club to encourage community involvement in the consideration of the Draft Management Plan.**
  - Public access to briefings with Council senior staff and/or Councillors during the exhibition period.**
- 5. That issues raised during the public exhibition period of the 2006/2009 Draft Management Plan be considered by Council at a meeting to adopt the 2006/2009 Management Plan and the 2006/2007 Fees and Charges on Thursday, 20 April 2006 from 5pm in the Council Chamber.**
- 6. That Council notes that changes to the Draft Fees and Charges may be required should legislative changes occur.**

Attachments:

Attachment A:

Community Facilities Program

Project	Total (\$m)	Council (\$m)	2006/2007		Other Funding Source
			Rate Rise Loan (\$m)	Other (\$m)	
1. Hogbin Drive Extension	15.000	5.000	3.500	1.500 3.000 7.000	Revenue Funded Loan (2005/06) Grants (2005/06) Grants
2. City Park (Brelsford Park)	2.700	2.700	1.605	1.095	Land Sales
3. Nana Glen Improvements	0.235	0.200	0.200	0.035	Contributions
4. Woolgoolga Town Improvements	0.400	0.400	0.400		
5. Sawtell Headland Improvements	0.380	0.380	0.380		
6. Nana Glen Swimming Pool	0.139	0.139	0.139		
7. Sawtell Town Improvements	0.300	0.300	0.300		
8. Jetty Strip Improvements	0.100	0.100	0.100		
9. Jetty Structure Restoration	0.680	0.680	0.580	0.100	Jetty Reserve
10. Middle Creek Bridge Replacement	0.950	0.475	0.475	0.475	Grant (Roads to Recovery)
11. Coral Street Bridge Replacement	0.620	0.620	0.620		
<b>Total</b>	<b>21.504</b>	<b>10.994</b>	<b>8.299</b>	<b>13.205</b>	

Attachment B:

Capital Works Schedule – Items not funded by a Rate Rise

Items	Total Budget (\$)	2005/2006 (\$)	2006/2007 (\$)	2007/2008 (\$)	2008/2009 (\$)	Funding Source
Multi Purpose Centre	4.905m	2.000m	2.905m			Existing Loan Sale of Land
Foreshore Improvements	6.878m	0.308m 0.070m	0.100m		6.400m	Existing Loan GF Revenue New Loan New Loans
Coffs Coast Sports and Leisure Park	2.000m	2.000m				Loan funded by rent from Rigby House
Regional Tennis Complex	1.545m		1.000m 0.545m			Land Sales Loan funded by rent from Rigby House
Sports Field Lighting	0.300m		0.300m			Loan funded by rent from Rigby House
Sportz Central POPE licence works	0.080m	0.080m				GF Revenue
Northern Beaches Cycleway	2.175m		0.584m	0.141m 1.450m		Sewer Fund Sewer Fund Grant
Castle Street Car Park Upgrade	1.000m		1.000m			New Loan
Airport Roundabout	0.750m		0.750m			New Loan
<b>Total</b>	<b>19.633m</b>	<b>4.458m</b>	<b>7.184m</b>	<b>1.591m</b>	<b>6.400m</b>	